



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number: H. 4921 Amended by House Ways and Means General Government
Legislative Subcommittee on March 9, 2022

Author: Pope

Subject: Misclassification of Covered Employees

Requestor: House Ways and Means

RFA Analyst(s): Coomer

Impact Date: March 28, 2022

Fiscal Impact Summary

This bill as amended states that the misclassification of the status of an employee by an employer participating in a State benefit plan for the purpose of avoiding contribution requirements is against the public policy of the State. The bill as amended further codifies the ability of the Board of Directors of the South Carolina Public Employee Benefit Authority (board) to audit employers to verify compliance with contribution requirements and to subject employers to corrective actions if they have misclassified employees.

This bill as amended will have no expenditure impact on the Public Employee Benefit Authority (PEBA) because it codifies current practices of the board.

Explanation of Fiscal Impact

Amended by House Ways and Means General Government Legislative Subcommittee on March 9, 2022

State Expenditure

This bill as amended states that the misclassification of the status of an employee by an employer participating in a State benefit plan for the purpose of avoiding contribution requirements is against the public policy of the State. The bill as amended further specifies the board's ability to audit employers to verify compliance with contribution requirements and to subject employers to corrective actions if they have misclassified employees.

PEBA currently audits employers and seeks corrective action if the employer has misclassified employees. Therefore, this bill as amended will have no expenditure impact on PEBA because it codifies current practices of the board.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director